

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates 3-5 June 2008

**Question: bet 21**

**Topic: Fuel Watch – Treasury Advice**

**Hansard Page: Written**

**Senator Fifield asked:**

**These questions are directed to the Secretary of the Treasury, Dr Ken Henry**

I refer to an article by David Uren in *The Australian* newspaper on 30 May 2008 headed “Petrol fell before state scheme.”

It reads in part “*Treasury sources now say the scheme was also strongly opposed by Treasury in the initial brief that went to Secretary Ken Henry. The Treasury economists asked to assess the scheme argued it would be ineffective at best and would add an unnecessary regulatory burden. However, it is understood that Dr Henry did not support this advice going to cabinet.*”

1. Dr Henry, can you confirm the veracity of this report?
2. Dr Henry, did you support the Fuel Watch advice prepared by Treasury economists going to cabinet?
3. Why did you not support the advice going to cabinet?

**These questions are directed to the Department of the Treasury**

4. Did the Department of the Treasury consult with the ACCC during its analysis of Fuel Watch?
5. Was Treasury aware of the ACCC's view on Fuel Watch before it produced its own advice to government?
6. Does the Treasury consider its analysis of Fuel Watch to be superior to that conducted by the ACCC?

**Answer:**

1. This report is incorrect.
2. It is not appropriate to comment on policy advice to the Government.
3. It is not appropriate to comment on policy advice to the Government.
4. Yes.
5. Yes.
6. The ACCC's econometric analysis of Fuelwatch was confirmed by Treasury as being correct.